

LOUISIANA RECOVERY AUTHORITY

Action Plan 2 and Rental Funding Resolution

August 10, 2006

Summary: To authorize the LRA staff and OCD staff to prepare an Action Plan for the expenditure of the additional \$4.2 billion in CDBG funds and provide for the reallocation of funding related to rental programs

Whereas, the LRA, Governor, Legislature, and HUD have previously approved the Road Home Housing Program, which anticipated a fully funded housing program based on the pledge of additional funds from the President and Congress;

Whereas, the additional \$4.2 billion has been provided in a second appropriation that has different regulations and restrictions from the first appropriation of Community Development Block Grant dollars;

Whereas, by HUD requirement, a second Action Plan must be developed for the expenditure of the second appropriation of CDBG funds, which will be written in a manner to the same funding allocations;

Whereas, the LRA and OCD, in proposing implementation designs for the Road Home Rental Housing Programs, have recommended changes to the rental program funding based on additional funds that can be brought in to stretch funds in the programs, such as federal housing vouchers;

Whereas, the LRA and OCD staff recognize that the costs for financing mixed income housing programs, which are a critical strategy to rebuilding housing in a manner that deconcentrates poverty, will require significant additional dollars to achieve the program goals as designed; and

Whereas, the state may be able to leverage additional sources of funds by offering gap financing in conjunction with other funding sources, such as "4% Low Income Housing Tax Credits;"

THEREFORE, BE IT RESOLVED, that the LRA Board hereby directs LRA and OCD staff to develop an Action Plan for the second appropriation of CDBG Disaster Recovery Funds; and

BE IT FURTHER RESOLVED, that the LRA Board also endorses that the second Action Plan may include a reallocation of funds from the LIHTC Piggyback Program and the Small Rental Property Repair Programs to the Flexible Subsidies for Mixed Income Developments program.